

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

IN RE:)
) Case No. 23-00623
MERCY HOSPITAL, IOWA CITY and certain of its)
subsidiaries d/b/a Mercy Iowa City)
)
Debtor.)
)

**NOTICE OF MONTHLY FEE FOR H2C SECURITIES, INC.
FOR THE PERIOD OF November 1, 2023 THROUGH November 30, 2023**

H2C Securities, Inc., Financial Advisor and Investment Banker to Mercy Hospital, Iowa City and certain of its subsidiaries d/b/a Mercy Iowa City ("**Debtor**"), files its *Notice of Monthly Fee for H2C Securities, Inc. for the Period of November 1, 2023 through November 30, 2023* ("**Notice**"). This Notice is filed pursuant to Bankruptcy Code Sections 327(a) and 328(a) and Bankruptcy Rule 2014(a) and the *Application to Employ H2C Securities, Inc. as Investment Banker by the Debtors Filed by Mercy Hospital, Iowa City, Iowa* (the "**Agreed Entry**") [DN 150] approved by this Court on September 18, 2023 [DN 247]. This Notice will be served on the parties designated to receive this Notice pursuant to the Order. A copy of the Monthly Statement (as defined in the Order and redacted as necessary) is being filed with this Notice and is available through the Court's electronic filing system.

As set forth in the Order, at the expiration of the fourteen (14) day objection period, the Debtors shall promptly pay 80% of the fees and 100% of the out-of-pocket expenses identified below, except such specific fees and expenses as to which a Notice of Objection is filed, and subject to the limitations set forth in the applicable cash collateral order(s).

Name of Applicant:	H2C Securities, Inc.
Court-Approved Role:	Financial Advisor and Investment Banker to the Debtor
Date of Retention Order:	September 18, 2023 <i>nunc pro tunc</i> August 7, 2023
Period Covered:	November 1, 2023 to November 30, 2023
Monthly Fee Incurred:	\$25,000.00
80% of Fees to be Paid:	\$20,000.00
20% of Fees to be Held Back:	\$5,000.00
Total Expenses to be Paid (100%):	(\$1,351.26)
Total Proposed Payment from Debtor:	\$18,648.74

H2C Securities Inc. | h2c.com

+ The Elements of Capital and Strategy

Securities and services offered through H2C Securities Inc., member FINRA/SIPC, a registered broker-dealer and an indirect subsidiary of Fifth Third Bank, National Association. All rights reserved. Securities and services offered through H2C Securities Inc.: **Are Not FDIC Insured** | **Offer No Bank Guarantee** | **May Lose Value** | **Are Not Insured by any Federal Government Agency** | **Are Not a Deposit**.

Respectfully submitted this 15th day of December, 2023,



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H2C SECURITIES, INC
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Atlanta, GA 30326
Telephone: 404-937-1340
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Financial Advisor and Investment Banker to the Debtor

Dated: Cedar Rapids, Iowa
December 18, 2023

NYEMASTER GOODE, P.C.

/s/ Roy Leaf

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Counsel for Debtors and Debtors-in-Possession

Certificate of Service

The undersigned certifies, under penalty of perjury, that on this December 18, 2023, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case

/s/ Roy Leaf

Exhibit A – Summary of Work

The H2C Securities, Inc. ("**H2C**") team working with the Debtor consists of Richard Bayman (Managing Director), Drew Orman (Vice President), Hunter Sessions (Senior Analyst), and Josh Blue (Analyst). In the month of November, H2C dedicated approximately 64 hours to the Mercy Iowa City project in several capacities.

Richard Bayman and Drew Orman spent approximately 4 hours in total participating in cash collateral hearings during the month of November.

Additionally, H2C spent approximately 4 hours updating a Valuation Scorecard which was to be used as a dynamic tool to compare the values of the bids during the bankruptcy auction, notably the stalking horse bid by the University of Iowa Hospitals & Clinics ("**UIHC**") and the credit bid submitted by Preston Hollow in conjunction with American Healthcare Systems ("**AHS**"). This tool needed to be revised in order to properly reevaluate the proposed offers given Preston Hollow's dispute of the use of the Mercy Foundation cash to fund operating losses post closure.

In support of the Valuation Scorecard, H2C developed detailed valuations for the joint ventures as we prepare to unwind each of those agreements. This required 30 hours of work. Richard Bayman and Drew Orman spent approximately 6 hours organizing and hosting calls between the joint venture partners and speaking with potential buyers of the MIC minority interest.

Drew Orman, Hunter Sessions, and Josh Blue dedicated a minimum of 8 hours to the management of the Firmex Data Room. This is the platform on which all documentation related to Mercy Iowa City is stored for interested parties to access and conduct diligence. Related activities include engaging in correspondence with Mercy Iowa City management to gather up-to-date Debtor information upon the request of relevant parties, assisting relevant parties in the navigation of the Data Room, and rescinding the correct entitlements from the appropriate parties after the auction.

H2C conducted 30-minute weekly calls with FTI, the representative for the unsecured creditors committee, which accounted for 12 hours in the month of November. On these calls, H2C updated FTI on the status of relevant interested parties, changes or additions to the data room, and any new information pertaining to the bidding process. In addition, H2C spent a total of 4 hours in weekly communication with the Mercy Iowa City operations team and council. These calls covered, but were not limited to, Debtor data collection, updates on the sale process, valuation of the joint venture relationships and owned property, and bidding procedures.

Exhibit B – Expense Breakdown

Description	Detail	Expense (\$)
Hotel - Auction	Hotel (Bayman)	\$492.97
Parking - Auction	Airport parking (Bayman)	\$68.00
Working & Travel Meal	Meal expenses incurred while working (Bayman, Orman, Sessions)	\$117.77
Total H2C Expenses		\$678.74
Less: Overpayment on September Invoice ⁽¹⁾		\$ (2,030.00)
Total Expenses		(\$1,351.26)

(1) H2C submitted a revised Fee Application for September which updated billable legal expenses down from \$20,592.50 to \$18,562.50 (\$2,030 less). MIC paid the original invoice amount (\$20,592.50) and therefore, H2C is providing a credit on this invoice for the difference



Fifth Third
Capital Markets

h2c.com
T 212.257.4500

SUBJECT Billing Invoice
INVOICE NO. Project Redwood – 5900
DATE December 15, 2023

TO Tom Clancy
Chief Executive Officer
Mercy Hospital Iowa City
500 East Market St
Iowa City, IA 52245

ITEM	DESCRIPTION	AMOUNT
<i>Related to the Second Amendment dated July 28, 2023 to the Engagement Agreement Dated June 17, 2021 and First Amendment dated November 15, 2022:</i>		
A.	Time Based Retainer / Work Fee	\$25,000.00
B.	Expenses	(\$1,351.26)
i.	H2C T&E – \$678.74	
ii.	H2C Legal – (\$2,030.00 credit)	
<i>Thank you for this opportunity to be of service.</i>		
TOTAL		\$23,648.74

Please use the following wiring instructions:

Fifth Third Securities
ABA #042000314
FBO: H2C Securities Inc.
Acct #7029051708
Reference:
Project Redwood

OR

Please use the following mailing instructions:

Fifth Third Bank
ATTN: Katie Colgan
38 Fountain Square Plaza
Mail Drop: 1090GB
Cincinnati, OH 45263

If you have any questions, comments or concerns regarding this invoice, please do not hesitate to contact us at accounting@h2c.com.

You are a highly valued client of our firm and we appreciate the opportunity to be of service.

H2C Securities Inc. | h2c.com

+ The Elements of Capital and Strategy

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